

URGENT NOTIFICATION REGARDING EXPENDITURES UNDER STATE BOND-FUNDED CONTRACTS AND AGREEMENTS WITH THE CALIFORNIA TAHOE CONSERVANCY.

This is to alert you that, on December 18, 2008, the State Department of Finance directed all State departments that expend funds from general obligation bond programs -- including the California Tahoe Conservancy -- to immediately:

1. cease authorizing any new grants or obligations for bond projects, including new phases for existing projects;
2. suspend all projects not specifically exempted by the Department of Finance, unless the contracting entity can continue work with non-State funding sources (i.e., private, local, or federal funds);
3. freeze all disbursements under bond-funded contracts and agreements that were not authorized or submitted to the State Controller for payment prior to December 17, 2008; and
4. instruct all grant and loan recipients not to enter into any new construction or other agreements or contracts that would be funded from Pooled Money Investment Board loans (for State bond-fund obligations).

The full text of the Department of Finance directive is available on-line at:  
[http://www.dof.ca.gov/budgeting/budget\\_letters/documents/BL08-33.pdf](http://www.dof.ca.gov/budgeting/budget_letters/documents/BL08-33.pdf)

*Based on the direction from the State Department of Finance, we must ask that your agency or firm immediately take all possible steps to stop work, and to avoid any new financial obligations, under your State bond-funded contract or grant agreement with the California Tahoe Conservancy, until further notice. Please notify our office at once, if you are aware of any impediment to suspending work.*

*In addition, until further notice, the Conservancy will not be able to pay out any invoices that were not authorized by the Conservancy and submitted to the State Controller by December 17, 2008; and will not be able to formalize any new contractual or funding arrangements that were in progress or awaiting final action on December 18, 2008.*

We will continue to keep you updated as to any change relating to the above direction from the Department of Finance.